



Testimony of Pat Llodra
On Behalf of the Connecticut Council of Small Towns
Appropriations Committee Forum
March 7, 2012

Good afternoon Senator Harp, Representative Walker and members of the committee. Thank you for giving me the opportunity to comment on Governor Malloy's proposed budget. My name is Patricia Llodra. I am the First Selectman of the Town of Newtown.

I will focus my comments on K-12 education – a very important topic this session. For 30 years prior to becoming First Selectman of Newtown I held various roles in public education in Ct. First as a teacher, then for 15 years as a high school principal, and finally as the leader in residence and executive coach with the School Improvement Unit of the CT Bureau of Education. It is in that latter role that I had the opportunity to work closely with school principals and district superintendents of our most challenged districts, mostly in urban settings. So, I am wearing both hats – one as an educator and the other as a municipal CEO as I share my perspective and COST's position with you on these critical educational policy and budget issues.

Connecticut's small towns and cities continue to face difficult budget circumstances and any cuts in state aid would result in cuts to critical programs, including education. Towns like Newtown – a DRG B community – have a strong and abiding commitment to providing an excellent K-12 educational program. We struggle, however, to meet the growing costs of that educational program and have to compromise on other aspects of needed community supports, such as roads, parks and recreation, public safety, programs for seniors, and more. As an example, support through ECS has decreased from a level of 7.4% of Newtown's total education budget in 2004 to 6.3% of the total in 2011. And, today, 89% of the Town's annual operating budget is funded through local property taxes, up from 85% just 3 years ago. Clearly, the gap created by dwindling state support is made up by increasing property taxes – a burden our citizens are unable and/or unwilling to accept.

So, we appreciate Governor Malloy's proposal to **target an additional \$50 million in funding to the ECS grant and increase the foundation level, which is a critical component of the base aid formula, from \$9,867 to \$12,000 per student.** The increase in the foundation level, which is long overdue, better reflects the true cost of educating a student.

We recognize that most of the additional funds proposed in the budget are targeted to the state's neediest school districts and we certainly understand the need to provide them with additional funding to address the achievement gap that continues to persist in these districts. As an

educator, parent, grandparent, and leader...I am fully supportive of efforts to reduce that achievement gap. I am proud of Ct in so many aspects, but am not proud that we in this state of relative affluence hold title to the largest achievement gap in the nation.

But again please bear in mind that all CT towns are also facing difficulties in funding programs to help students achieve higher standards of academic excellence and that any effort to “rob Peter to pay Paul” will do a disservice to all our people. We appreciate that the Governor’s proposal is expected to provide 130 towns with more education funding than in 2011 and hope that this ensures that small towns will receive their fair share of education funding this year and in the future. Further, it is important that these additional funds will not come out of some other pocket that has in the past provided other grants to Towns. Moving money from the left pocket to the right pocket has other unintended consequences and does nothing to move us toward more equitable resourcing of public education.

We believe that the Governor’s proposal is a wonderful first step in moving toward fully funding the ECS grant program, particularly in light of the state’s continued budget challenges. However, let’s not lose sight of the fact that the ECS grant continues to be woefully underfunded by an estimated \$700 million. **Connecticut needs to begin phasing in increases to the ECS grant with the goal of fully funding the program to provide adequate fair share funding to all towns.**

COST supports provisions in the bill which allow towns that realize “new and documentable savings” through increased intradistrict efficiencies or through regional collaboration to reduce the Minimum Budget Requirement by an amount determined by the Commissioner of Education. This change will help provide some relief to towns who are able to reduce their educational costs. However, we hope that lawmakers can develop language that provides towns with greater certainty as to how much relief they can expect from the MBR under these circumstances as well as greater flexibility to reduce spending where they have been able to achieve savings from other types of initiatives.

For example, many school districts are aggressively pursuing cost saving measures, such as participating in consortiums to purchase oil and gas, revamping bus routes to reduce transportation costs; offering early retirement incentives to reduce personnel costs and utilizing technology to reduce paper and printing costs. Towns and school districts are also exploring options to reduce costs by sharing certain functions, such as building and grounds maintenance and IT support. Unfortunately, the MBR undermines such efforts because towns do not have any flexibility under MBR to reflect such cost savings in the education budget.

So, to recap, we applaud the Governor’s proposal to target additional funds to ECS, increase the foundation level and provide greater flexibility to towns that are meeting high standards. However, **COST is very concerned about three aspects of the Governor’s proposal:**

1) Forcing Small District Consolidation

The Governor’s proposal includes provisions that would penalize school districts with fewer than 1000 students by reducing aid if the district’s per pupil cost exceeds the state average per pupil

cost from the prior fiscal year. There are currently 31 school districts in Connecticut with fewer than 1000 students although only 18 of those districts have expenditures above the state average.

Some school districts are voluntarily pursuing consolidation because they recognize that it may produce savings. Others have explored consolidation options and concluded that it would not benefit their town either in terms of cost savings or educational quality or both.

In addition, small school districts are generally located in rural areas where homes are spread out across a wide geographic area. For these students, forcing consolidation may result in less time in the classroom and more time on the bus. Small towns are also concerned about the impact of district consolidation on their communities, where schools are often the heart of the community. Residents of all ages attend school functions such as plays, concerts, athletic events and come together as a small community to support the students. COST therefore opposes efforts to force small district consolidation and urges lawmakers to leave decisions about whether to consolidate to the town and the taxpayers.

2) Diverting Resources Away from Traditional Public Schools

The proposal requires schools districts to pay \$1000 for every student that attends a charter school, which will divert precious resources away from our traditional public schools. In addition, the proposal transfers funding for the charters schools into the ECS line item. Although ECS funding has been increased overall, it is unclear what the policy goal is in moving charter schools under this line item. We are therefore concerned that this proposal will pave the way for a "money follows the child" funding scheme that will create unpredictable disruptions in funding from year to year for school districts.

3) Special Education

Any discussion about education funding must include concerns about the level of special education funding the state provides to towns. The local share of special education is almost \$1 billion, accounting for almost 15% of all education spending in Connecticut. For a number of years, COST has recommended fully funding special education and lowering the reimbursement threshold from 4.5 times the per pupil expenditure to 2.5 times or lower to more adequately reimburse towns for such costs. The state must begin to reimburse towns for a greater percentage of the costs of special education to better meet the needs of these students and property taxpayers.

Thank you for the opportunity to comment on the Governor's education proposal and thank you for the hard work that you do in reviewing these proposals and approving a state budget.